

VERMILION PARISH ASSESSOR

FINANCIAL REPORT

DECEMBER 31, 2013

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INDEPENDENT AUDITORS' REPORT

The Vermilion Parish Assessor
Abbeville, Louisiana

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Vermilion Parish Assessor as of and for the year ended December 31, 2013, and the related notes to financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Vermilion Parish Assessor as of December 31, 2013, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As described in Note 1 to the financial statements, in 2013, the Vermilion Parish Assessor adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other-Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and pages 32 and 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2014, on our consideration of the Vermilion Parish Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Vermilion Parish Assessor's internal control over financial reporting and compliance.

Broussard, Poche, Lewis & Brant, LLP

Lafayette, Louisiana
April 23, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Vermilion Parish Assessor's financial performance provides an overview of Vermilion Parish Assessor's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the Assessor's financial statements, which begin on page 8.

I. FINANCIAL HIGHLIGHTS

Vermilion Parish Assessor's net position decreased by \$25,452 or 22.9% as a result of 2013's operations. Vermilion Parish Assessor's total revenues were \$946,605 compared to \$937,899 in 2012, an increase of \$8,706 or 0.9%.

Total expenses for Vermilion Parish Assessor during the year ending December 31, 2013 were \$972,057 compared to \$1,118,945 last year, a decrease of \$146,888 or 13.1%.

II. USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The statement of net position and the statement of activities (pages 8 and 9) provide information about Vermilion Parish Assessor's activities as a whole and present a longer-term view of Vermilion Parish Assessor's finances. Fund financial statements start on page 12. These statements tell how the services were financed in the short-term as well as what remains for future spending.

A. REPORTING VERMILION PARISH ASSESSOR AS A WHOLE

1. THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

Our analysis of Vermilion Parish Assessor as a whole begins on page 4. One of the most important questions asked about Vermilion Parish Assessor's finances is, "Is Vermilion Parish Assessor, as a whole, better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about Vermilion Parish Assessor as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report Vermilion Parish Assessor's net position and the changes in them. The net position, the difference between the assets and the liabilities, is one way to measure Vermilion Parish Assessor's financial position or financial health. Over time, increases or decreases in Vermilion Parish Assessor's net position is one indicator of whether its financial health is improving or deteriorating.

We report the fund maintained by the Vermilion Parish Assessor as governmental activities in the statement of net position and the statement of activities.

B. REPORTING VERMILION PARISH ASSESSORS'S MOST SIGNIFICANT FUNDS

1. FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the Vermilion Parish Assessor's General Fund, not the Vermilion Parish Assessor as a whole.

All of Vermilion Parish Assessor's expenses are reported in a governmental fund, which focuses on how money flows into and out of that fund and the balances left at year-end that are available for spending. This fund is reported using the modified accrual method, which measures cash and all other financial assets that could be readily converted to cash. The governmental fund statements provide a detailed short-term view of Vermilion Parish Assessor's general operations and the expenses paid from this fund. The information in the governmental fund helps determine if there are more or less financial resources to finance future Vermilion Parish Assessor expenses. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and the governmental fund in a reconciliation following the fund financial statements.

III. VERMILION PARISH ASSESSOR AS A WHOLE

Vermilion Parish Assessor's total net position increased in the current year from \$(111,207) to \$(136,659). The following reflects the condensed statement of net position as of December 31, 2013, with comparative figures from 2012:

TABLE 1
CONDENSED STATEMENT OF NET POSITION
DECEMBER 31, 2013 AND 2012

	2013	Restated 2012
Assets:		
Current assets	\$ 1,314,067	\$ 1,212,337
Capital assets	<u>75,489</u>	<u>48,390</u>
Total assets	<u>\$ 1,389,556</u>	<u>\$ 1,260,727</u>
Liabilities:		
Current liabilities	\$ 9,464	\$ 19,846
Long-term liabilities	<u>645,576</u>	<u>531,034</u>
Total liabilities	<u>\$ 655,040</u>	<u>\$ 550,880</u>
Deferred inflows of resources		
Unavailable revenue	<u>\$ 871,175</u>	<u>\$ 821,054</u>
Net position:		
Net investment in capital assets	\$ 75,489	\$ 48,390
Unrestricted	<u>(212,148)</u>	<u>(159,597)</u>
Total net position	<u>\$ (136,659)</u>	<u>\$ (111,207)</u>
Total liabilities and net position	<u>\$ 1,389,556</u>	<u>\$ 1,260,727</u>

Net position of Vermilion Parish Assessor's governmental activities decreased by \$25,452, or 22.9%, from 2012. Unrestricted net position, that part of net position which can be used to finance Vermilion Parish Assessor's expenses without constraints or other legal requirements, decreased \$52,551, or 32.9%, from 2012.

The following table provides a summary of the changes in net position for the year ended December 31, 2013, with comparative figures from 2012:

TABLE II
CONDENSED STATEMENT OF CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>Restated 2012</u>
Revenues:		
Program revenues -		
Charges for services	\$ 22,500	\$ 18,463
Operating grants and contributions	15,000	15,000
Capital grants and contributions	-	41,487
General revenues -		
Ad valorem taxes	840,454	787,055
Other	<u>68,651</u>	<u>75,894</u>
Total revenues	<u>\$ 946,605</u>	<u>\$ 937,899</u>
Expenses:		
General government	<u>\$ 972,057</u>	<u>\$ 1,118,945</u>
Increase (decrease) in net position	<u>\$ (25,452)</u>	<u>\$ (181,046)</u>

During the fiscal year ended December 31, 2013, property tax revenue increased \$53,399 or approximately 6.8%. Expenses decreased by \$146,888 or approximately 13.1%.

IV. GENERAL FUND BUDGETARY HIGHLIGHTS

The Vermilion Parish Assessor's budget was revised during the 2013 fiscal year mainly to increase budgeted intergovernmental revenues and decrease budgeted operating expenditures. Actual revenues did not meet budgeted revenues by \$2,587 and actual expenditures were \$8,371 more than final budgeted expenditures. The net increase in fund balance for the year ended December 31, 2013 of \$61,991 was \$10,958 less than the anticipated (final budgeted) increase.

V. CAPITAL ASSETS

At the end of 2013, Vermilion Parish Assessor had \$75,489 in net investment in capital assets. This amount represents a net increase of \$27,099 or 56.0% from 2012. This was due primarily to the recording of depreciation of \$11,901 in 2013, and investing in capital outlay additions of \$39,000.

VI. LONG-TERM LIABILITIES

Long-term obligations of the Vermilion Parish Assessor consist only of other post-employment benefit obligations. Detailed information about the obligation is presented in Note 10 to the financial statements.

VII. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary factors considered when preparing the fiscal year 2014 budget were the ad valorem tax revenues and salaries and related expenditures. The ad valorem tax is expected to produce \$871,175 or approximately 91% of the total budgeted revenues. Salaries and related expenditures are expected to total \$766,396 or 83% of the total budgeted expenditures. The 2014 budget was prepared based on 2013 results with adjustments for expected increases or decreases in revenues and expenditures.

VIII. CONTACTING THE VERMILION PARISH ASSESSOR'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the funds maintained by Vermilion Parish Assessor and to show Vermilion Parish Assessor's accountability for the monies it receives. If you have any questions or need additional financial information, contact Gabe Marceaux, Assessor, at 100 N. State Street, Suite 110, Abbeville, Louisiana 70510.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VERMILION PARISH ASSESSOR

STATEMENT OF NET POSITION

December 31, 2013

ASSETS

Cash	\$ 161,252
Certificates of deposit	418,150
Ad valorem taxes receivable, net	57,330
Due from employee	1,000
Due from other governmental agencies	676,335
Capital assets:	
Non-depreciable	39,000
Depreciable, net	<u>36,489</u>
Total assets	<u>\$ 1,389,556</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

LIABILITIES

Accounts payable	\$ 8,565
Other liabilities	899
Long-term liabilities:	
Due in more than one year -	
Other post-employment benefit obligation	<u>645,576</u>
Total liabilities	<u>\$ 655,040</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue	<u>\$ 871,175</u>
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NET POSITION

Net investment in capital assets	\$ 75,489
Unrestricted	<u>(212,148)</u>
Total net position	<u>\$ (136,659)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,389,556</u>

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR

STATEMENT OF ACTIVITIES

Year Ended December 31, 2013

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
General government	<u>\$ 972,057</u>	<u>\$ 22,500</u>	<u>\$ 15,000</u>	<u>\$ (934,557)</u>
General revenues:				
Ad valorem taxes				\$ 840,454
Grants and contributions not restricted to specific programs				57,274
Investment earnings				6,341
Miscellaneous				<u>5,036</u>
Total general revenues				<u>\$ 909,105</u>
Change in net position				<u>\$ (25,452)</u>
Net position, beginning, as previously stated				\$ 709,847
Cumulative effect of change in accounting principle				<u>(821,054)</u>
Net position, beginning, restated				<u>\$ (111,207)</u>
Net position, ending				<u>\$ (136,659)</u>

See Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

VERMILION PARISH ASSESSOR

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

ASSETS	General Fund
Cash	\$ 161,252
Certificates of deposit	418,150
Ad valorem taxes receivable, net	57,330
Due from employee	1,000
Due from other governmental agencies	<u>676,335</u>
Total assets	<u>\$ 1,314,067</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 8,565
Other liabilities	<u>899</u>
Total liabilities	<u>\$ 9,464</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	<u>\$ 871,175</u>
FUND BALANCES	
Unassigned	<u>\$ 433,428</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,314,067</u>

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

December 31, 2013

Total fund balance - governmental fund	\$	433,428
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Total net position reported for governmental activities in the
statement of net position is different because:

Capital assets used in governmental activities are not
financial resources and are therefore not reported in the
fund. Those assets consisted of -

Furniture, fixtures, and equipment	\$	200,670	
Accumulated depreciation		(164,181)	
Construction in progress		<u>39,000</u>	75,489

Long-term liabilities, including post-employment benefit
payable, are not due and payable in the current period and
therefore are not reported in the fund

	<u>(645,576)</u>
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Total net position of governmental activities	\$	<u>(136,659)</u>
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See Notes to Financial Statements.

VERMILION PARISH ASSESSOR

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCESGOVERNMENTAL FUND
Year Ended December 31, 2013

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$ 840,454
Intergovernmental -	
State revenue sharing	57,274
Vermilion Parish Police Jury	15,000
Charges for services	22,500
Investment earnings	6,341
Miscellaneous	<u>5,036</u>
Total revenues	<u>\$ 946,605</u>
Expenditures:	
Current -	
General government	\$ 845,614
Capital outlay	<u>39,000</u>
Total expenditures	<u>\$ 884,614</u>
Net change in fund balance	\$ 61,991
Fund balance, beginning	<u>371,437</u>
Fund balance, ending	<u>\$ 433,428</u>

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2013

Net change in fund balance - governmental fund \$ 61,991

The change in net position reported for governmental
activities in the statement of activities is
difference because:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and
and reported as depreciation expense.

Depreciation expense	\$ (11,901)	
Capital outlay	<u>39,000</u>	27,099

Net pension and other postemployment obligations reported in the
statement of activities do not require the use of current financial
resources and therefore are not reported as expenditures in the
governmental funds.

(114,542)

Change in net position of governmental activities

\$ (25,452)

See Notes to Financial Statements.

VERMILION PARISH ASSESSOR
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Vermilion Parish Assessor (the "Assessor") have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Assessor's accounting policies are described below.

Reporting entity:

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a term of four years beginning January 1 following the year in which elected. A vacancy occurring in the office in which the unexpired term is one year or more is filled by a special election to be held within 60 days of the occurrence of the vacancy; a vacancy in which the unexpired term is less than one year is filled by an appointment of the governor.

The Assessor assesses property, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provides assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office; however, the Assessor is officially responsible for the actions of the deputies.

The Assessor's office is located in the Vermilion Parish Courthouse in Abbeville, Louisiana. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

Basis of presentation:

The Assessor's basic financial statements consist of the government-wide and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Governmental-wide financial statements –

The government-wide financial statements include the statement of net position and the statement of activities of the Assessor. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

In the government-wide statement of net position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Assessor's net position are reported in two parts – net investment in capital assets and unrestricted.

NOTES TO FINANCIAL STATEMENTS

The government-wide statement of activities reports both the gross and net cost of each of the Assessor's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net cost (by function) is normally covered by general revenues (property taxes, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the Assessor as an entity and the change in the Assessor's net position resulting from the current year's activities.

Fund financial statements –

The fund financial statements provide information about the Assessor's funds. The emphasis of fund financial statements is on major governmental funds. The Assessor has only one fund, its General Fund. The General Fund is the Assessor's general operating fund. It is used to account for all of the financial resources of the Assessor.

Basis of accounting:

Government-wide financial statements –

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Assessor gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlement, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund financial statements –

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Assessor considers property taxes as "available" in the year following the assessment, when the majority of the taxes are collected. Revenue from grants, entitlement, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year-end are considered available and recognized as revenue of the current year.

Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

NOTES TO FINANCIAL STATEMENTS

Cash and investments:

Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Cash includes amounts in demand deposit accounts while investments include certificates of deposits. These certificates are not subject to GASB No. 31 requirements; thus, they are stated at cost.

Custodial credit risk:

Deposits (demand and certificates) –

The Assessor is exposed to custodial credit risk as it relates to its deposits with financial institutions. Custodial credit risk is the risk that in the event of a bank failure, the Assessor's deposits may not be returned to it. The Assessor's policy to ensure there is no exposure to this risk is to require each financial institution to pledge securities to cover amounts in excess of Federal Depository Insurance Coverage. Securities pledged by these financial institutions to secure deposits must be held in the Assessor's name. Accordingly, the Assessor had no custodial credit risk related to its deposits at December 31, 2013.

Fixed assets:

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide financial statements –

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at cost or estimated historical cost. Donated fixed assets are recorded at their fair value at the date of donation. The Assessor maintains a threshold level of \$500 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is calculated on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Furniture and fixtures	5
Equipment	5 - 10

Fund financial statements –

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

NOTES TO FINANCIAL STATEMENTS

Compensated absences:

The Assessor has the following policy relating to vacation and sick leave -

Vacations are mandatory and vary in length based on years of service. Leave can be taken between January 1 and November 1 of each year. In addition to vacation, annual leave consists of 12 working days absence due to illness or business matters. Any unused portion of annual leave does not accumulate and carry forward. If any employee exceeds the 12 days, their salary is reduced accordingly. Should maternity, surgery, or prolonged illness require extended absence, paid leave not to exceed six weeks (including the 12 day annual leave) will be allowed.

Deferred outflows/inflows of resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The Assessor does not currently have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Assessor has only one type of item, which arises under both the modified accrual basis of accounting and the accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported on both the government-wide statement of net position and governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Net position flow assumption:

Sometime the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumption:

Sometime the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTES TO FINANCIAL STATEMENTS

Equity classifications:

Government-wide statements –

Equity is classified as net position and displayed in two components:

- a. Net investment in capital assets – Consists of capital assets net of accumulated depreciation and reduced by the balance of debt used to acquire capital assets.
- b. Unrestricted net position - All other net position that do not meet the definition of “net investment in capital assets”

The Assessor has no restricted net position as of December 31, 2013.

Fund financial statements –

Beginning with fiscal year 2011, the Assessor implemented GASB Statement 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Assessor establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Assessor through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

NOTES TO FINANCIAL STATEMENTS

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

Taxes receivable:

Taxes receivable consists of amounts due from taxpayers. Taxes receivable are reported net of an allowance for uncollectible accounts based on prior experience. The allowance amount at December 31, 2013 is \$17,424.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Changes in accounting principles:

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 *"Items Previously Reported as Assets and Liabilities."* This Statement is effective for financial statements for years beginning after December 15, 2012. This Statement established accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets or liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows or resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

The change represents a change to a generally accepted accounting principle that is the current preferred and industry practice. Under GASB 65, property taxes received or reported as receivables before the period for which levied, were reclassified to deferred inflows of resources on the statement of net position. The fiscal year 2013 financial statements have been restated to reflect retroactive applications of this change in accounting principle. The cumulative effect of the change in accounting principle was \$821,054 as of December 31, 2013.

Recent accounting pronouncements:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 *"Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27."* This Statement is effective for financial statements for years beginning after June 15, 2014. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement establishes standards for measuring and recognizing, liabilities, deferred outflows of resources, and deferred inflows resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments to their actuarial present value, and attribute that present value to period of employee service.

It is expected that upon adoption of GASB 68, the Assessor will be required to recognize the difference between the actuarial total pension liability and the fair value of the legally restricted plan assets as the net pension liability on the statement of net position. The effect of this change currently cannot be determined.

NOTES TO FINANCIAL STATEMENTS

Note 2. Ad Valorem Taxes

Government-wide financial statements –

Property taxes are recognized in the year for which they are levied net of uncollectible amounts, as applicable.

Fund financial statements –

Ad valorem taxes are based on assessed values determined by the Assessor on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31.

Taxes are budgeted and the revenue recognized in the year following the assessment when the majority of the taxes are actually collected and the Assessor considers them “available.”

For the year ended December 31, 2013, taxes were levied on property with assessed valuations totaling \$422,480,990 and the millage was 2.65.

Total taxes levied, exclusive of homestead exemptions, was \$871,177 for 2013. Taxes receivable at December 31, 2013 totaled \$57,330, which is net of an allowance for uncollectible amounts of \$17,424.

Note 3. Due From Other Governmental Agencies

Due from other governmental agencies at December 31, 2013 consists of the following:

Government-wide and fund financial statements:

Vermilion Parish Sheriff -

Ad valorem taxes

\$ 676,335

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets

Capital assets activity for the year ended December 31, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated -				
Work in progress	\$ -	\$ 39,000	\$ -	\$ 39,000
Capital assets being depreciated -				
Furniture and fixtures	\$ 11,813	\$ -	\$ -	\$ 11,813
Equipment	188,857	-	-	188,857
Total capital assets being depreciated	\$ 200,670	\$ -	\$ -	\$ 200,670
Less accumulated depreciation for -				
Furniture and fixtures	\$ (11,520)	\$ (194)	\$ -	\$ (11,714)
Equipment	(140,760)	(11,707)	-	(152,467)
Total accumulated depreciation	\$ (152,280)	\$ (11,901)	\$ -	\$ (164,181)
Total capital assets being depreciated, net	\$ 48,390	\$ (11,901)	\$ -	\$ 36,489
Governmental activities capital assets, net	\$ 48,390	\$ 27,099	\$ -	\$ 75,489

Depreciation expense was charged to functions as follows:

General government	\$ 11,901
--------------------	-----------

Note 5. Operating Leases

The Assessor has entered into a number of operating leases which contain cancellation provisions and are subject to annual appropriations. These leases are for vehicles and support governmental activities. Operating lease expenditures for the year ended December 31, 2013 totaled \$7,189.

NOTES TO FINANCIAL STATEMENTS

Note 6. Pension Plan

Plan description:

Substantially, all employees of the Assessor's office are members of the Louisiana Assessor's Retirement Fund ("System"), a cost sharing multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

Funding policy:

Plan members are required by state statute to contribute 8% of their annual covered salary and the Assessor is required to contribute at an actuarially determined rate. Contributions to the System include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Assessor are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The rate for 2013 was 13.5% of annual covered payroll. The Assessor's contributions to the System for the years ending December 31, 2013, 2012 and 2011 were \$64,528, \$73,902 and \$65,242, respectively, equal to the required contributions for each year.

Note 7. Compensation Paid to Elected Officials

The salary paid to the elected official was as follows for the year ended December 31, 2013:

Gabe Marceaux, Assessor

\$ 141,124

In addition to his salary, an amount equal to 5% of his base salary or \$6,415 was contributed to the deferred compensation plan described in Note 9 on the behalf of the Assessor, \$19,918 was contributed on his behalf to the pension plan described in Note 6, and insurance premiums for health and life insurance in the amount of \$8,383 were paid to the Assessor's Insurance Fund on his behalf.

NOTES TO FINANCIAL STATEMENTS

Note 8. Expenses of the Assessor Not Included in the Financial Statements

Certain operating expenses of the Assessor's office are paid by the Vermilion Parish Police Jury (the "Jury"). They are:

1. Office space, equivalent to rent, is furnished by the Jury.
2. Utility bills are paid by the Jury.
3. The Assessor's office has the use of miscellaneous office furniture owned by the Jury.

Note 9. Deferred Compensation Plan

The Assessor offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with the Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Assessors' employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of management, after consulting with legal counsel, that the Assessor has no liability for losses under the plan.

The Assessor makes matching contributions equal to the amount deferred by each employee, but not in excess of 5% of an employee's salary to the plan. For the year ended December 31, 2013, the Assessor contributed \$21,516 on behalf of its employees to the plan.

Note 10. Post Employment Benefits Other Than Pensions

Plan description:

The Assessor sponsors a Retiree Healthcare Plan (multi-employer defined benefit Other Post Employment Benefit [OPEB] plan) through which it extends medical, dental, and life benefits to qualifying employees upon actual retirement.

A covered employee becomes eligible for participation on his date of hire.

A covered employee may retire at or after age 55 with at least 12 years of credited service or at any age with at least 30 years of credited service.

NOTES TO FINANCIAL STATEMENTS

Coverage is also provided to spouses of retirees who are receiving benefits at the time of retirement. If the retiree predeceases the spouse, coverage for the surviving spouse continues.

Contribution rates:

Employees do not contribute to their post-employment benefit costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund policy:

Effective with the fiscal year beginning January 1, 2009, the Assessor implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions* (GASB 45). The requirements of GASB 45 are being implemented prospectively. Accordingly, for financial reporting purposes, no liability is reported for the post-employment benefits liability at the date of transition. The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs. In fiscal year 2013, the Assessor's portion of health care funding cost for retired employees totaled \$66,586. This amount was applied toward the net OPEB Benefit Obligation as shown in the table on the next page.

Annual required contribution:

The Assessor's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the normal cost plus the amortization of the unfunded actuarial accrued liability. A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the post employment benefits. The total ARC for the fiscal year beginning January 1, 2013 is \$190,311 as set forth below:

Normal cost at fiscal year end	\$ 74,417
Amortization of unfunded Actuarial Accrued Liability (UAAL)	<u>115,894</u>
Annual required contribution (ARC)	<u>\$ 190,311</u>

NOTES TO FINANCIAL STATEMENTS

Net post-employment benefit obligation:

The table below shows the Assessor's net OPEB obligation for the fiscal year ending December 31, 2013:

Beginning net OPEB obligation at January 1, 2013	<u>\$ 531,034</u>
Annual required contribution (ARC)	\$ 190,311
Interest on prior year net OPEB obligation	21,240
ARC adjustment	<u>(30,423)</u>
Annual OPEB cost	\$ 181,128
Contributions (current year retiree premiums)	<u>(66,586)</u>
Increase in net OPEB obligation	<u>\$ 114,542</u>
Ending net OPEB obligation at December 31, 2013	<u><u>\$ 645,576</u></u>

The Assessor's annual OPEB cost is \$181,128, \$181,962, and \$166,964 for the years ended December 31, 2013, 2012, and 2011, respectively. The percentage of annual cost contributed and the net unfunded OPEB obligation is 36.76% and \$645,576 for the year ended December 31, 2013, 24.20% and \$531,034 for the year ended December 31, 2012, and 26.35% and \$393,099 for the year ended December 31, 2011.

Funding status and funding progress:

The Assessor made no contributions to its post-employment benefits plan during the year ended December 31, 2013. The plan was not funded, has no assets, and hence has a funded ratio of zero. As of January 1, 2012, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$1,892,507 (medical - \$1,577,437, life - \$235,821, and dental - \$79,249), which is defined as that portion, as determined by a particular actuarial cost method (the Assessor uses the Unit Credit Actuarial Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. The plan was not funded in fiscal years 2010, 2011, and 2012, therefore, the entire AAL of \$1,833,365, \$1,833,365, and \$1,892,507, respectively, was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$448,274 and the ratio of the unfunded AAL to the covered payroll was 422.18%.

Actuarial methods and assumptions:

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for the post-employment benefits includes estimates and assumptions regarding (1) withdrawal rate; (2) retirement rate; (3) healthcare and dental cost trend rates; (4) mortality rate; (5) discount rate (investment return assumption); (6) disability rate; (7) coverage rate; and (8) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

NOTES TO FINANCIAL STATEMENTS

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Assessor and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Assessor and its plan members to that point. The projection of benefits for the financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Assessor and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial cost method:

The ARC is determined using the Unit Credit Actuarial Cost Method. The employer portion of the cost for retiree benefits in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions including the investment rate of return assumption (discount rate), mortality, retirement, disability, coverage, and withdrawal rates.

Actuarial value of plan assets:

Since the funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs, there are not any assets.

Withdrawal rate:

The following annual rates of withdrawal were used:

<u>Years of Service</u>	<u>Rate</u>
1 or less	12.0%
2 - 6	5.0%
7 - 8	4.0%
9 - 12	3.0%
13 - 14	2.0%
15 or more	1.0%

Investment return assumption (discount rate):

GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan that is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation, which represents a reasonable estimate of short-term pooled funds.

Health care and dental cost trend rates:

The expected rates in benefit costs for medical and pharmacy were assumed to begin at 5.7% and 5.76%, respectively, for 2013, trending down to 4.6% and 3.92%, respectively, in 2082.

NOTES TO FINANCIAL STATEMENTS

Retirement rate:

The expected rate of retirement was assumed as follows:

<u>Age</u>	<u>Percentage</u>
46 - 49	22%
50 - 54	44%
55 - 57	4%
58 - 62	18%
63+	28%

Mortality rate:

The Combined Annuity and Nonannuity mortality tables applicable for the year of the measurement date based on RP2000 Annuity and Nonannuity Mortality Tables for males and females which have been projected by using the Society of Actuaries Table AA, and methods pursuant to IRS Regulation 1.430(h)(3)-1 were used.

Disability rate:

The disability rate for males and females used in the calculations range from 0.006% to 0.195% for ages 18 to 60 and older.

Coverage rate:

One hundred percent of employees electing coverage, while inactive employees and those who are eligible for retiree medical benefits, are assumed to elect continued medical coverage in retirement. Twenty percent of members electing coverage are assumed to also elect coverage for a spouse.

Method of determining value of benefits:

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid.

Note 11. Risk Management

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor purchases commercial insurance to cover any claims related to these risks.

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REQUIRED SUPPLEMENTARY INFORMATION

VERMILION PARISH ASSESSOR
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 821,055	\$ 811,870	\$ 840,454	\$ 28,584
Intergovernmental -				
State revenue sharing	50,000	57,274	57,274	-
Vermilion Parish Police Jury	15,000	15,000	15,000	-
Charges for services	11,900	22,569	22,500	(69)
Investment earnings	4,480	6,668	6,341	(327)
Miscellaneous	-	35,811	5,036	(30,775)
Total revenues	\$ 902,435	\$ 949,192	\$ 946,605	\$ (2,587)
Expenditures:				
Current -				
General government:				
Salaries and related expenditures	\$ 716,026	\$ 734,051	\$ 737,193	(3,142)
Professional services	9,300	8,348	8,348	-
Automobile insurance	3,600	2,910	2,914	(4)
Telephone	7,800	6,850	6,885	(35)
Advertising	3,600	3,000	2,817	183
Computer	22,044	60,576	30,280	30,296
Travel and meals	18,000	16,300	12,338	3,962
Materials and supplies	20,000	16,700	15,280	1,420
Lease expense	10,152	7,189	7,189	-
Schools and seminars	6,000	5,848	5,537	311
Dues and subscriptions	8,000	5,500	5,135	365
Other	10,760	8,971	11,698	(2,727)
Capital outlay	-	-	39,000	(39,000)
Total expenditures	\$ 835,282	\$ 876,243	\$ 884,614	\$ (8,371)
Net change in fund balance	\$ 67,153	\$ 72,949	\$ 61,991	\$ (10,958)
Fund balance, beginning	371,437	371,437	371,437	-
Fund balance, ending	\$ 438,590	\$ 444,386	\$ 433,428	\$ (10,958)

See Notes to Budgetary Comparison Schedule.

VERMILION PARISH ASSESSOR

NOTES TO BUDGETARY COMPARISON SCHEDULE

Note 1. Budgets and Budgetary Accounting

The Assessor follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. The Assessor prepares a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
2. The proposed budget is published in the official journal prior to a public hearing.
3. A public hearing is held at the Assessor's office to obtain taxpayer comments.
4. The budget is then legally adopted by the Assessor.
5. The budget is adopted on a basis consisted with generally accepted accounting principles (GAAP).

All budged appropriations lapse at year-end. The budgets presented are the originally adopted budget and the final budget.

Note 2. Stewardship, Compliance and Accountability

Excess of Expenditures Over Appropriations. The following individual fund had actual expenditures in excess of appropriations for the year ended December 31, 2013:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund	<u>\$ 835,282</u>	<u>\$ 876,243</u>	<u>\$ 884,614</u>	<u>\$ (8,371)</u>

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Vermilion Parish Assessor
Abbeville, Louisiana

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Donald W. Kelley, CPA 2005
George J. Trappey, III, CPA 2007
Terrel P. Dressel, CPA 2007
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Mary T. Miller, CPA 2011
Mary A. Castille, CPA 2013

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Vermilion Parish Assessor as of and for the year ended December 31, 2013, and the related notes to financial statements and have issued our report thereon dated April 23, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Assessor's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Assessor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Assessor's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Assessor's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses at #2013-1, to be a material weakness.

*Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants*

* A Professional Accounting Corporation

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Vermilion Parish Assessor's Responses to the Findings

The Assessor's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Assessor's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Assessor's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Assessor's internal control and compliance. This report is intended for the information and use of the Vermilion Parish Assessor, management, others within the entity, federal awarding agencies and pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this communication is not suitable for any other purpose, however, this report is a matter of public record and its distribution is not limited.

Broussard, Poché, Ferri & Broussard, LLP

Lafayette, Louisiana
April 23, 2014

VERMILION PARISH ASSESSOR
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2013

We have audited the basic financial statements of the Vermilion Parish Assessor as of and for the year ended December 31, 2013, and have issued our report thereon dated April 23, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2013 resulted in an unmodified opinion.

Section I. Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weaknesses	<u>X</u> Yes	<u> </u> No
Control deficiencies identified that are not considered to be material weaknesses	<u> </u> Yes	<u>X</u> None reported

Compliance

Compliance material to financial statements	<u> </u> Yes	<u>X</u> No
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Section II. Financial Statement Findings

#2013-1 Segregation of Duties

Finding: The Assessor does not have an adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Assessor may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition.

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Assessor should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Response: Management has provided as much segregation as possible with the resources available.

VERMILION PARISH ASSESSOR

SCHEDULE OF PRIOR FINDINGS

Year Ended December 31, 2013

Section I. Internal Control and Compliance Material to the Financial Statements

#2012-1 Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Assessor should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Current Status: This finding is in the current year's schedule of findings and responses at #2013-1. The Assessor has provided as much segregation of duties as possible with the resources available.

#2012-2 Budget Violation

Recommendation: The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance.

Current Status: This issue has been resolved in the current year.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.